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Corporate Social Responsibility of financial entities in the Social Economy. A case study on Savings Banks.

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Abstract

The implementation of corporate social responsibility policies in firm management processes is becoming increasingly relevant. In the particular case of the financial sector, the incorporation of these policies often has huge repercussions as their role as intermediaries means that firms depend on them for investment which, in turn, affects the way firms perform.

Within the financial sector, those organizations that form part of the social economy; credit cooperatives and savings banks are a very particular case as one of the principles on which they are based is their social nature. In this study, we examine the social responsibility situation in these financial organizations, focusing on the case of savings banks. We provide information that will help us better understand the real state of Spanish savings banks with respect to these two areas of social responsibility: The “Obra Social” (or charitable activities) and the incorporation of social and environmental criteria in their business policies

Key words: Corporate Social Responsibility, Social Economy, Savings Banks.

1. Introduction

Among the different types of financial organizations, those that form part of the social economy, savings banks and credit cooperatives (Belmonte and Cortés, 2010), represent a very singular case due to their legal status and their dual mission of being both a business and a social organization.

Since their origins, the model for this type of organization has looked for compatibility between business activity and the aim of serving the community and social interests, always looking to collectively benefit society (Valor et al., 2007). In the case of credit cooperatives, evidence of this social responsibility can be seen in the Fund for Education and Promotion (Server and Villalonga, 2007), which is a particular initiative of cooperatives, and in the case of savings banks, there is the "Obra Social" (OS), which is stated to be their principal identifying characteristic (Castelló, 2003).

In this sense, as stated by Marbella (2005), one of the main advantages these organizations have over the rest of the financial sector is their social character, as "non-profit institutions", which frames their mission and objectives, along with the fact that their ownership is in the hands of their stakeholders, rather than in the hands of their shareholders, as is the case with traditional banks.

This social character along with their particular legal status has meant that these types of organizations have become references for the incorporation and management of corporate social responsibility (CSR).

However, in spite of the fact that, as stated above, such organizations have a supposed initial advantage, due to their inherent nature and the presence and tradition of their social actions, they do not behave in same way in relation to the application and distribution of their resources directed at social objectives and with respect to the integration of CSR criteria in their business strategies, and there are different trends in this respect.

In this research, we study the corporate social responsibility situation in those financial organizations that form part of the social economy, focusing on the case of savings banks.

We analyze both their "Obra Social" , which constitutes one of the main components in the realm of corporate social responsibility of these organizations, as well as the inclusion of social and environmental factors (and not only economic factors) in their business strategies; the design of their products and their credit and investment policies.

The article is structured in the following way. The introduction is followed by a description of the role of organizations that belong to the social economy as precursors in the area of corporate social responsibility. Next, we analyze the management of corporate social responsibility in credit cooperatives and savings banks and go on to describe and examine the "Obra Social" and the degree to which CSR criteria are incorporated into business strategies. The article ends with a section on the conclusions to be drawn from our study.

2. Corporate social responsibility in the social economy: the case of credit cooperatives and savings banks

With the voluntary incorporation of CSR, firms are looking for a business strategy that integrates social, environmental and economic aspects in order to gain competitive advantages (Enquist et al., 2006; Nelson et al., 2007; Server and Capó, 2009). From this perspective, if we analyze the case of firms that form a part of the social economy, we can see that they are a type of organization with a particular legal status whose way of working maintains a fairly close relationship with the principles advocated by CSR.

The business model of the social economy is characterized by action related to social cohesion, environmental protection, sustainable development and social innovation (Monzón and Chaves, 2008; Spear et al., 2009).

According to Barea and Monzón (1992), The Social Economy covers a collection of organizations of a heterogeneous nature that carry out their business activity with the aim of producing goods and services, and offering insurance or finance, and where the distribution of profits and decision-making is not directly related to the capital provided by each member. All members may participate equally in decision-making. They may also include economic agents whose function is to produce goods and services that are not destined to be sold and whose financing is provided by voluntary contributions.

Therefore, we are dealing with firms that are looking for democratic participation in the decision-making process and distribution of profits, while providing a considerable degree of support for the community (Monzón and Chaves, 2008); factors which are closely related to the principles of corporate social responsibility as described in the social economy report passed by the European Parliament on Feb 19, (2009), in which it was stated “that social economy enterprises and organizations help to strengthen the entrepreneurial spirit, facilitate better democratic functioning of the business world, incorporate corporate social responsibility and promote the active social integration of vulnerable categories”.

2.1 Credit Cooperatives and Savings Banks

Credit cooperatives are firms that are characterized by the social nature of the way they work, along with a commitment to helping develop the society in which they operate (Melián et al., 2010). They are firms who “are controlled democratically and adhere to certain values and principles such as social responsibility and community care. They also strive to serve their members not only in economic terms, but also in a wider realm that includes social, cultural, and environmental factors”.¹

1.- Message of the International Cooperative Alliance (ICA) - 85th ICA International Day of Co-operatives and 13th UN International Day of Cooperatives - 7 July 2007 - “Co-operative Values and Principles for Corporate Social Responsibility”.

Cooperatives are characterized both by the social nature of their actions, which have been implicit since their foundation, and by the role they play with their various stakeholders and society in general (Chaves and Schediwy, 2004). In this sense, the integration of a cooperative's members in management decision making processes is one of the main characteristics that correlates perfectly with principles of CSR and separates them from other types of organizations. Along these lines, Puentes (2009) argues that it is necessary to have a socially responsible corporate government model that widens the purposes of the organization from not just the creation of wealth for shareholders, but also aims to help all stakeholders involved in the firm, and that this is the predominant model in cooperative societies, who, by their social nature, carry out their activities in service to the community according to certain business ethics: The Cooperative principles.

In fact, on analyzing these principles², we can see many of their implicit aspects in the way CSR policies are developed within cooperatives (Server and Capó, 2009).

The Cooperative principles:

- 1 Voluntary and open adhesion
- 2 Democratic management by the stakeholders
- 3 Economic participation by associates
- 4 Autonomy and independence
- 5 Education, training and information
- 6 Cooperation between cooperatives
- 7 Interest in the community

This outline was taken on by the European Commission (2002), who subscribed to the idea that “Cooperatives, mutuals and associations as membership-led organisations have a long tradition in combining economic viability with corporate social responsibility. They ensure this through stakeholder dialogue and participative management and thus can provide an important reference to other organisations”.

Therefore, we can state that cooperatives have a tradition and experience in terms of the application of CSR guidelines, which gives them certain advantages over other firms. The Secretary General of the United Nations (2008)³ stated that cooperatives “*have, over a long*

².- Cooperative principles established by the ICA in 1995.

³.- Message from the Secretary-General, United Nations, Message on the International day of Cooperatives, 5 July 2008

period of time, promoted integration and sustainability with respect to economic and social development at a local level”,

In turn savings banks are “*credit organizations, with operative freedom and equality over and above that found in the rest of the organizations that make up the Spanish financial system. They are constituted as private foundations, with social aims and activities based purely on market criteria and they reinvest a significant percentage of their profits in society through social initiatives*” (CECA).

Castelló (2003) states that the savings banks model makes their financial activity and their service to social interests compatible. Since their beginnings, savings banks have been characterized as financial institutions with non-profit motive, whose commercial mission can be defined by the following fundamental activities: promote saving by everybody, generating incentives to do this, develop the economy of their geographical area, and carry out social and cultural initiatives to provide a collective benefit to society.

With respect to the social function that savings banks perform, it is possible to distinguish between the way they develop their financial activity, avoiding financial exclusion by making their financial products available to all members of society anywhere, and the way in which they distribute their profits, using them for social initiatives that will benefit society.

In this sense, savings banks, develop different cultural, educational, environmental, healthcare, etc. activities. These actions, which are linked to their essential nature (Ruiz et al., 2009), represent a major boost in economic and social development of the areas in which they carry out their business, and these collectively form the “Obra Social”.

So we can state that savings banks combine two functions, one financial and the other social. Within the social aspect of their financial activities, organized under the Obra Social scheme, the savings banks focus particularly on avoiding financial exclusion and promoting economic development and social progress within the communities where they are based. Anyone, irrespective of whether they are a savings banks customer, may participate in Obra Social initiatives.

A significant percentage of their benefits are re-invested in society through the Obra Social. Their resources are the remaining returns after the deduction of taxes and allocation reserves.

These funds are distributed according to the following areas: social assistance and health care activities, culture and leisure, education and research, artistic and nature heritage (including environment).

The management system of savings banks is made up of different elements which include the following:

- The representatives of the founding organization of the savings bank.

- Representatives of political, social, religious or aid organizations interested in the purposes of the savings bank
- Local corporations
- Representatives of depositors
- The workers of the savings bank

Therefore, these are financial organizations that, in spite of having normal business objectives and operating under the same market criteria as any financial organization, are different in that they have a more social character (reflected in their own constitution which states that they must reinvest part of their profits in social initiatives), and also in their ownership system (absence of shareholders) and also in their management systems characterized by the presence of different stakeholders.

Quintás (2006) stated that “corporate social responsibility has been the dominant characteristic of savings banks throughout their evolution; in savings banks there is an ethical commitment that in no way comes from external forces, but is rather an essential component of their nature, and so in our organizations we can see the various dimensions of corporate social responsibility strongly reflected”. Consequently, we can state that the savings bank’s own nature involves socially responsible ways of working, whose objectives, among others, are to satisfy not only economic interests but also social and cultural interests. Therefore, we can say that social economy firms have set a precedent in adopting and incorporating corporate social responsibility, and that credit cooperatives and savings banks, in their double role as both members of this group and financial organizations, have been the precursors of the establishment of corporate social responsibility in the financial sector.

3. Corporate Social Responsibility in Savings Banks.

Corporate social responsibility in savings banks is manifested in different areas, in particular the area of the “Obra Social”, which is a key element in both identifying savings banks and differentiating them from other financial organizations, and by which they return part of their profits to society in the form of activities of a charitable or social nature.

However, CSR policies are not restricted to just the “Obra Social”, but also cover relationships with other aspects such as society, the environment and stakeholders. In this sense, we should take into account that when we talk of CSR in financial organizations, we must consider not only the direct environmental, social and economic repercussions of their activity (direct action), but also those repercussions coming from activities and projects that they have

financed as, ultimately, it is these organizations who choose their investment projects within a series of criteria.

In reality, the responsibility of financial institutions must not be limited to those actions that they carry out directly (energy consumption, working conditions of employees, etc), but must also include those actions originating in organizations financed by these organizations. In this respect, financial institutions play a fundamental role and thanks to the influence they have, they become key elements in terms of the decisions and practices carried out by other firms (Proença and Castro, 2007). According to Coulson and Dixon (1995), “financial institutions are key stakeholders in a firm and their influence on decision-making and management practice should not be underestimated”.

Following on from this, Scholtens (2009) states that “ By taking account of social, ethical, and environmental conditions in the provisioning of finance, the financial intermediaries come up with additional requirements with respect to the ways in which the directors realize and manage the business”, and in this case, the banks can become a source of demand for information on the behavior of other firms in many areas (for example, in environmental questions), with which they can benefit other stakeholders (Thompson and Cowton, 2004).

Therefore, it is important to know not only the direct corporate social responsibility in which an organization is involved, but also what measures they are taking to control the effects and repercussions of the activities and projects that they finance.

In this study, we aim to provide information that will help us better understand the real state of Spanish savings banks with respect to these two areas of corporate social responsibility: The “Obra Social”, and the incorporation of social and environmental criteria in their business policies.

4. Database, variables and methodology

The target of this study is Spanish savings banks. To identify these organizations, we used the general registry of organizations of the Banco de España (Spanish Central Bank) and the Confederación Española de Cajas de ahorro (The Spanish Confederation of Savings Banks, CECA).

Our aim at the beginning of the study was to include all the Spanish banks which constitute the savings bank sector and who were operative on December 31st, 2008. The total at that time was 45 (if we did not include CECA itself). With the events of 2009, including the intervention of one of these banks, it became impossible to gain the necessary information from this bank, and so it was excluded from this study. Thus, the sample for this study was finally comprised of 44 savings banks. Information related to the characteristics of the savings banks was obtained from their annual reports (2008), which are available to the public on their web pages. This

information was then contrasted with the information published in the statistical yearbook of Savings Banks of 2008 (CECA, 2008 a).

With respect to the "Obra Social" (or charitable work) of the Savings Banks, the information was obtained from their Obra Social reports published by the different banks, along with the *General Obra Social Report* published by CECA (CECA, 2008 b). To be exact, 41 of the 45 banks publish a report of their "Obra Social" activities or make this information available on their web pages. With respect to the other 3, the information was obtained from the data in the report published by CECA.

Finally, further information relating to CSR activity was obtained from their web pages and can be found in the annual reports that some of the Savings Banks publish along with the progress reports published by the savings banks that belong to the United Nations Global Compact.

With regard to methodology, firstly, and with the aim of understanding the behavior of the variables related to the structural characteristics of the banks, we carried out a descriptive analysis by measuring the central trend, dispersion and frequency distribution. From this technique, we gained a basic understanding of the data and the relationship between the variables, which gave us a better perspective to later interpret the results obtained (Hair et al., 1999). There follows a descriptive analysis of the state of CSR in Spanish savings banks, studying the many different variables related to the incorporation of social and environmental criteria as well as the merely economic in their business strategies related to the design of their products and their credit and investment policies.

Once the exploratory analysis was carried out, we carried out a cluster analysis with the aim of establishing groupings within the complete collection of savings banks that show similar behavior when incorporating social and environmental criteria in their management policies. Finally, and in view of the trend towards mergers currently predominating in this sector, we study whether the size of the organization has a significant effect both on the "Obra Social" and on the other factors analyzed in corporate social responsibility. In order to measure the relationship between these variables, we used correlation matrix.

5. Result

The results of our work using the methodology described are reflected in two main areas of CSR policy: the "Obra Social" and the incorporation of socially responsible ways of working as a strategy.

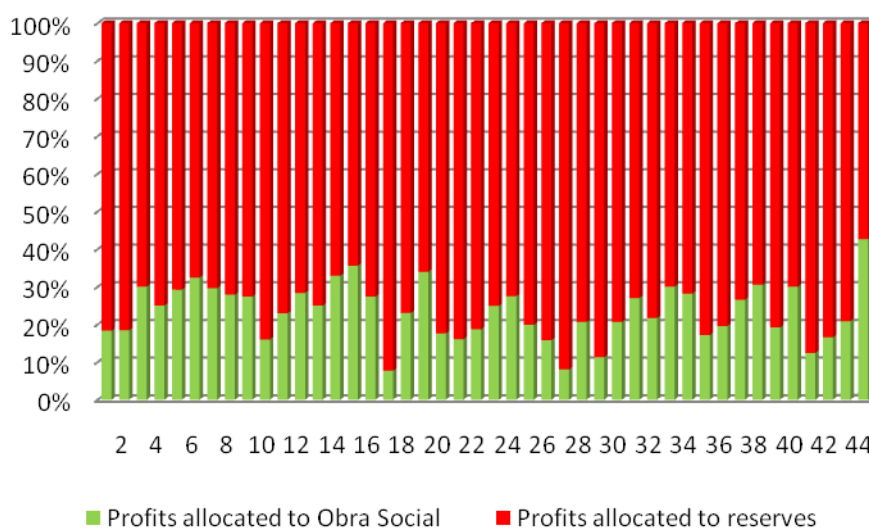
5.1. The “Obra Social” in Savings Banks

The financing of different social initiatives regarding the “Obra Social” by Savings Banks is derived from the banks’ business activity once all taxes have been paid and reserves have been replenished. Savings banks have a high degree of autonomy when planning their “Obra Social” budgets as the money assigned to this area must be approved first by the board. Once the budget has been approved, the board prepares a budget project which it takes to the general assembly.

This explains the huge differences in percentage of profits allocated to social initiatives, which for 2008 ranged between 8% and 43% of net profits.

Figure 1 shows this variation in allocation of money, either for social initiatives or to replenish reserves.

Figure 1. Distribution of profits for 2008



Source: generated by the authors from CECA data

If we analyze the variation in percentages compared to total profits, we see that in recent years, this has ranged between 17% and 28%, and we should highlight the decreases in 2006 and 2007, of 3 and 6 points respectively.

However, these decreases have only been percentages of total profits, and if we analyze the money assigned to the “Obra Social” in absolute terms, we can see that it has been gradually increasing over recent years, and reached 1,952 million Euros in 2007, coinciding with a steady increase in profits.

Nevertheless, a reduction in profits during 2008 has affected both contributions to reserves as well as to the “Obra Social”, producing a reduction in contribution of 17.8%, leaving a total of 1,604 million Euros allocated to the “Obra Social” in 2008.

Table 1. Evolution of profit sharing

| | 2003 | | 2004 | | 2005 | |
|-------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| Concept | Thousands of Euros | % distribution | Thousands of Euros | % distribution | Thousands of Euros | % distribution |
| Reserves | 2.727.337 | 72,40 | 2.962.615 | 71,30 | 3.702.175 | 72,90 |
| Obra Social | 1.039.679 | 27,60 | 1.190.008 | 28,70 | 1.373.833 | 27,10 |
| Total | 3.767.016 | 100 | 4.152.623 | 100 | 5.076.008 | 100 |

| | 2006 | | 2007 | | 2008 | |
|-------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| Concept | Thousands of Euros | % distribution | Thousands of Euros | % distribution | Thousands of Euros | % distribution |
| Reserves | 5.421.423 | 76,20 | 9.036.194 | 82,23 | 4.188.827 | 72,30 |
| Obra Social | 1.692.900 | 23,80 | 1.952.229 | 17,77 | 1.604.625 | 27,70 |
| Total | 7.114.323 | 100 | 10.988.423 | 100 | 5.793.452 | 100 |

Source: generated by the authors from CECA data

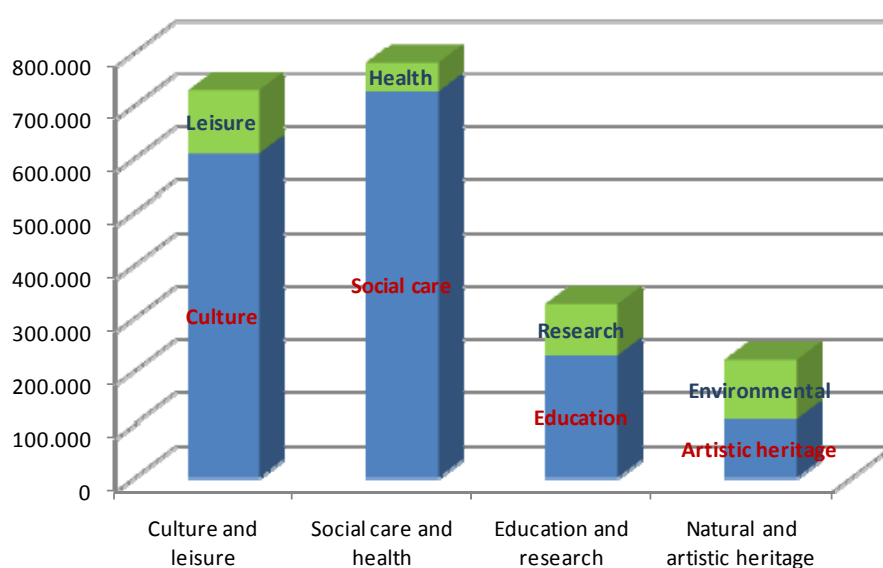
On analyzing the main statistics related to distribution of Money to the “Obra Social” (%OS), we can see that the collective average is 23.5%, although the variation is quite high. If we examine the difference between the minimum and maximum percentages of money allocated to the OS, we see that there is a considerable difference between the organizations that allocated more resources to the OS and those who spend smaller percentages.

Table 2. Descriptive statistics for the application of resources to OS

| | | % OS |
|--------------------------------------|--------------|--------|
| Mean | | 23.52 |
| 95% confidence interval for the mean | Lower limits | 21.26 |
| | Upper limits | 25.78 |
| Median | | 23.95 |
| Variance | | 55.34 |
| Stand. Dev. | | 7.44 |
| Minimum | | 7.69 |
| Maximum | | 42.68 |
| Asymmetry | | -.0002 |
| Kurtosis | | .0097 |

Concerning the different activities carried out within the OS framework, the following graph shows the actual details of the allocation. To do this, we grouped activities into four main areas: culture and leisure, social care and health, education and research and natural and artistic heritage.

Figure 2. Distribution of resources by area in 2008 (in thousands of Euros)



Source: generated by the authors from CECA data

The evolution of the different areas in recent years, as can be seen in the following table, shows various changes in both objectives and destination of the contribution to OS.

Table 3. Application of resources by area

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------------------------|-------|-------|-------|-------|-------|
| Culture and leisure | 45.3% | 42.4 | 40.0% | 36.8% | 35.4% |
| Culture | 37.9% | 35.3% | 33.2% | 30.8% | 29.6% |
| Leisure | 7.4% | 7.1% | 6.8% | 6.0% | 5.8% |
| Social care and health | 28.5% | 30.4% | 32.1% | 37.3% | 38.0% |
| Social care | 25.7% | 27.9% | 29.7% | 34.7% | 35.3% |
| Health | 2.8% | 2.6% | 2.4% | 2.6% | 2.7% |
| Education and research | 17.6% | 18.0% | 17.2% | 16.3% | 15.9% |
| Education | 12.4% | 12.8% | 12.1% | 11.1% | 11.1% |
| Research | 5.2% | 5.2% | 5.1% | 5.2% | 4.7% |
| Natural and artistic heritage | 8.6% | 9.2% | 10.7% | 9.6% | 10.7% |
| Artistic heritage | 5.4% | 4.9% | 5.2% | 4.1% | 5.3% |
| Nature | 3.2% | 4.3% | 5.5% | 5.5% | 5.5% |
| TOTAL | 100% | 100% | 100% | 100% | 100% |

Source: generated by the authors from CECA data

This evolution of the different areas to which OS resources are destined is closely related to the changes taking place in, and the needs and demands of, society. We can see steady growth in contributions to the area of social support and health, an increase of 10% in the last 5 years. This increase has mainly come in the social support area, while health contributions have remained fairly constant.

On the other hand, the area of culture and leisure has seen a clear decrease, falling from 45.3% in 2004, to 35.4% in 2008. In the areas of education and research the changes have been slight, with education contributions falling by 1.7% and research contributions increasing by 2.1%.

The increases in the area of nature and artistic heritage were due mainly to investment in environmental programs.

Finally, if we examine the distribution of OS in the different areas of application, we see that the savings banks dedicate a large part of their profits to culture and leisure, followed by social issues and health. However, as can be seen, there are big differences in the percentages dedicated to the different areas. The distribution of OS over the four main areas shows significant variations from bank to bank, and it is not possible to identify a general trend over the whole sector.

Table 4. Descriptive statistics of the OS distribution

| | | Culture and leisure | Social care and health | Education and research | Natural and artistic heritage |
|--------------------------------------|--------------|---------------------|------------------------|------------------------|-------------------------------|
| Mean | | 44.94% | 29.30% | 16.05% | 9.71% |
| 95% confidence interval for the mean | Lower limits | 40.75% | 25.40% | 13.40% | 7.38% |
| | Upper limits | 49.13% | 33.19% | 18.70% | 12.04% |
| Median | | 44.39% | 26.88% | 15.59% | 6.86% |
| Variance | | 185.35 | 160.11 | 74.03 | 57.25 |
| Stand. Dev.. | | 13.61% | 12.65% | 8.60% | 7.57% |
| Minimum | | 19.23% | 10.62% | 1.07% | 0.58% |
| Maximum | | 78.38% | 60.73% | 37.20% | 30.61% |
| Asymmetry | | 0.27 | 0.83 | 0.14 | 1.06 |
| Kurtosis | | -0.08 | 0.20 | -0.51 | 0.77 |

5.2. Incorporation of social and environmental criteria in the Savings Banks' business policies According to Carroll (1979), CSR should incorporate economic, legal, ethical and discretionary aspects in order to completely fulfill their obligations to society.

In the case of financial institutions in general, and savings banks in particular, these four aspects should be considered not only in relation to direct action carried out, but also to the consequences of indirect action, as financial organizations have a responsibility at the social and environmental level when planning their investments and the projects they are going to finance.

Along similar lines, Coulson and Dixon (1995) state that financial organizations play a fundamental role in society and due to the huge influence they have can become key elements to influence the decision making and practices of other firms.

Moreover, there is a risk of damage to the reputation of an organization that supports or finances activities that result in bad press or scandal of some sort (Smith, 1994; Case, 1996; Thompson, 1998; Brown and Whysall, 2010), and because of this, organizations and financial institutions in particular have included social, ethical and environmental aspects when considering business plans (Coulson and Monks, 1999; Thompson and Cowton, 2004; Nelson et al., 2007; Lucas and Wilson, 2008; Chaves et al., 2011).

In order to better understand the behavior of Savings Banks concerning the incorporation of social and environmental aspects in their business policies, we have established five indicators, as shown in Table 5.

Table 5. Indicators of CSR behavior

| Aspects | N° | Indicators | Value |
|----------------------------------|----|--|-----------------|
| Social and environmental aspects | 1 | Social or environmental criteria in business' investment | Exists (Yes/No) |
| | 2 | Environmental risk assessment of funded companies | Exists (Yes/No) |
| | 3 | Environmental control of suppliers | Exists (Yes/No) |
| | 4 | Sustainable products | Exists (Yes/No) |
| | 5 | Environmental management | Exists (Yes/No) |

The results of whether these variables are present or not in each of the savings banks are shown in Table 6. In the last column, we show the global results for the complete collection of indicators for each of the savings banks, and this is the variable that we use to define the degree to which these organizations incorporate social and environmental criteria in their business policies.

Table 6. Values of the indicators

| Savings Banks | 1 | 2 | 3 | 4 | 5 | Total | % indicators |
|---------------|---|---|---|---|---|-------|--------------|
| 1 | 0 | 1 | 1 | 1 | 1 | 4 | 80% |
| 2 | 1 | 0 | 1 | 1 | 1 | 4 | 80% |
| 3 | 1 | 0 | 1 | 1 | 1 | 4 | 80% |
| 4 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 7 | 0 | 0 | 0 | 0 | 1 | 1 | 20% |
| 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 10 | 1 | 0 | 1 | 1 | 0 | 3 | 60% |
| 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 12 | 1 | 1 | 1 | 0 | 1 | 4 | 80% |
| 13 | 0 | 0 | 1 | 1 | 1 | 3 | 60% |
| 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 17 | 0 | 0 | 1 | 1 | 1 | 3 | 60% |
| 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 19 | 0 | 0 | 1 | 0 | 1 | 2 | 40% |
| 20 | 0 | 0 | 1 | 1 | 0 | 2 | 40% |
| 21 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 22 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 23 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 25 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 26 | 0 | 0 | 0 | 0 | 1 | 1 | 20% |
| 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 28 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 29 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 30 | 0 | 0 | 0 | 0 | 1 | 1 | 20% |
| 31 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 32 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 33 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 34 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 35 | 0 | 0 | 1 | 1 | 0 | 2 | 40% |
| 36 | 0 | 0 | 1 | 1 | 0 | 2 | 40% |
| 37 | 1 | 1 | 0 | 1 | 0 | 3 | 60% |
| 38 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 39 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 40 | 1 | 0 | 1 | 1 | 0 | 3 | 60% |
| 41 | 1 | 1 | 1 | 1 | 1 | 5 | 100% |
| 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 43 | 1 | 0 | 1 | 1 | 1 | 4 | 80% |
| 44 | 1 | 0 | 1 | 1 | 1 | 4 | 80% |

In order to establish groupings of savings banks that show similarities in the incorporation of social and environmental criteria in their business policies, we carried out a cluster analysis to group together the organizations that are most similar. Our aim was to produce groups with significant essential differences. In order to make these groupings, we used a hierarchic cluster analysis as we did not previously know the number of groups that would be formed. With this method conglomerations are generated until we reach a point where there is only one group. This way, we could see which cases have grouped together at each step and how far apart they were before joining together. This procedure gives us information after each step.

Analyzing the distances between groups through the corresponding dendogram obtained, we finished with three clear groups. The following table shows the results of our analysis, covering the centers of the final groups. The groups were formed according to the level of application of social and environmental criteria in the business policies of the savings banks.

Table 7. Cluster analysis

| | No. of Savings Banks | Social and environmental criteria |
|---------|----------------------|-----------------------------------|
| Group 1 | 21 | 85% |
| Group 2 | 16 | 0% |
| Group 3 | 7 | 31% |

On studying this table, we can state that group 1 is made up of 21 organizations who show a high level of incorporation of social and environmental criteria in the business policies. Group 2 contains 16 organizations without any integration of these criteria, and finally, group 3 is made up of those organizations that fall between groups 1 and 2, with an average level of integration of the criteria mentioned. Having reached this point, in view of the current concentration processes taking place in this sector, we asked the question whether the size of the organization has any significant effect on any of the aspects previously analyzed.

To contrast this hypothesis, we used the logarithm of the organization's assets as a variable to determine the size of the savings banks, along with four variables to decide the application of resources to the OS, and these were: the total destined for OS (Distr. OS) and total spending on OS (spending OS) in absolute terms, followed by the total destined to OS in relative terms over results (%OS Results), and the percentage of spending on OS over results (% Spending OS), as was suggested by Lopez et al. (2007) and Marbella et al. (2008). With respect to the level of incorporation of social and environmental criteria in the business policies of the savings banks, we used the values of the indicators obtained and reflected in Table 6.

Table 8. Matrix of correlations

| | log assets | Distr. OS | Spending OS | % OS Results | % spending OS | % indicators |
|---------------|------------|-----------|-------------|--------------|---------------|--------------|
| log assets | 1.000 | | | | | |
| Distr. OS | .889** | 1.000 | | | | |
| Spending OS | .892** | .964** | 1.000 | | | |
| % OS Results | -.114 | .167 | .174 | 1.000 | | |
| % spending OS | -.108 | .010 | .146 | .687** | 1.000 | |
| % indicators | .653** | .672** | .723** | .138 | .139 | 1.000 |

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

As can be seen in the previous table, there is a significant positive relation between the size of organization and the quantity destined for the application of resources to the OS, but only when we consider absolute values. However, this relationship does not exist when we use the quantity destined for OS in relative terms with respect to the results. That is to say, that although the results show that it is the larger savings banks that allocate more money to the “Obra Social”, this does not mean that they allocate a larger proportion of their profits.

Moreover, we can also see a strong positive relationship between the size of the organization and the incorporation of social and environmental aspects in their management strategies.

6. Conclusions

On analyzing the results, we can make a first approximation at understanding the behavior of savings banks with regard to OS. Our results indicate a range of different levels of contribution to the OS, with a significant difference between the highest and lowest percentages of profits dedicated to this, while the average of the complete group of Savings Banks is 23.5%.

The area of Culture and Leisure receives the greatest percentage of the profits allocated to the OS, followed by social initiatives and health. However, on analyzing individual savings banks, we can see big differences in the way the contributions are allocated. Consequently, the distribution to the four main areas of the OS varies considerably from bank to bank.

The results obtained show the existence of a strong, positive relationship between the size of the bank and the total allocated to the OS. However, we wish to highlight the fact that this relationship exists only when we consider absolute values, and not when the contribution is measured in relative terms with respect to results.

Thus, as was expected, we confirmed that it is the larger Savings Banks that allocate and spend the most money in terms of absolute values on the OS, although this does not mean that they allocate the largest percentage of their profits.

Moreover, with regard to the influence that size has on the incorporation of social and environmental criteria in business policy, our results show that the size of the bank has a positive effect on the incorporation of these aspects.

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